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The potential for Meetingpackage.com to become a scalable Startup.

Case Study: Meetingpackage.com

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<p>The development of technology has created a new breed of innovation, from which new type of companies, startups have emerged. The environment where this companies operate is far more different from traditional businesses</p> <p>As indicated by the title, the thesis focuses on analysing the business model of a small Finnish Start-up company called Meetingpackage.com. The company has designed an online solution for booking meetings and conferences. The purpose of this study was to analyse and find out can the business model of meetingpackage.com be scalable and to identify possible areas of improvement.</p> <p>For this material a case study was applied. As the primary data source, a qualitative research was used. This research was carried out by analysing company's business model as well as by authors own experience while working there. An in-depth interview with the company Founder and Co-Founder served as guidelines for creating and designing the business model of the company. Online articles, books, blogs and research papers served as secondary source of information.</p> <p>The results revealed meetingpackage.com business model has a huge potential to scale and disrupt the market. The main conclusion was that in order to become scalable the company needs to change its focus and put more efforts towards the customer side of the business and be more active in online marketing environment.</p> <p>Further research topics would be customer acquisition cost analysis and USA market research.</p>	
Keywords	Business Model, Minimum Viable Product

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Acronyms

BM – Business Model

CEO – Chief Executive Officer

MVP – Minimum Viable Product

SEO - Search Engine Optimazation

SEM – Search Engine Marketing

UK – United Kingdom

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1 Introduction

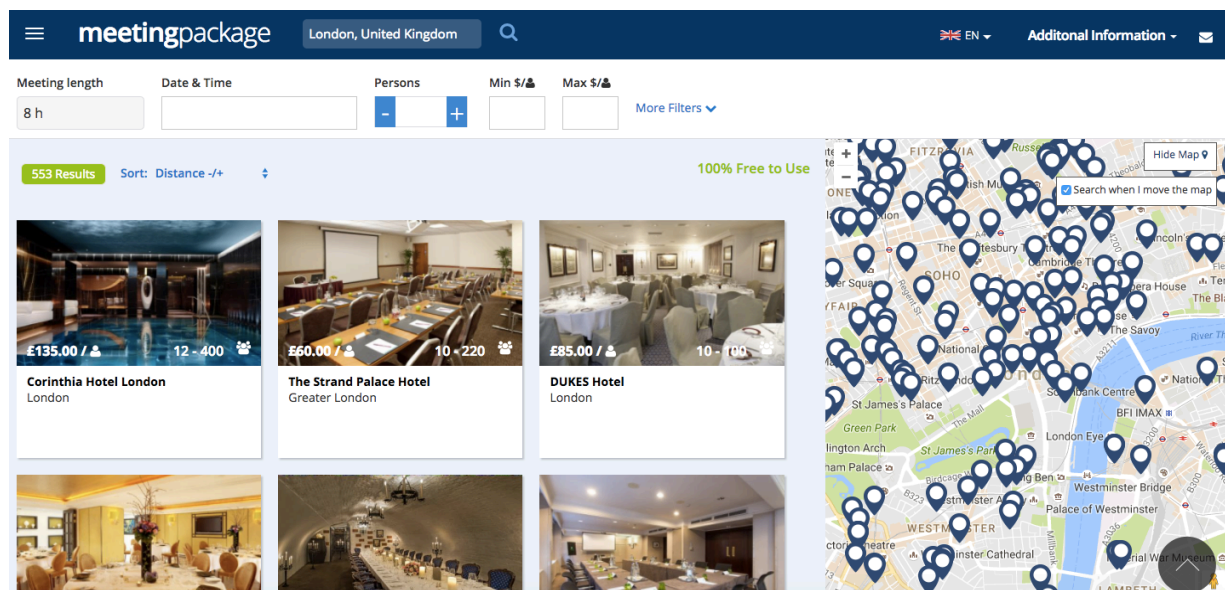


Figure 1 Meetingpackage.com search page

The author of this Thesis is working for the Finnish Technology start-up company called Co-couz Oy as a Sales Director EMEA since summer 2015. The company developed an online platform called **meetingpackage**, which gathers and promotes standardized meeting packages which venue providers – hotels, conference centres - create and customize to show off their onsite facilities, services, and seasonal offers. This platform allows event planners (End-users) to simply filter their needs and select the most suitable packages for their events or meetings. In other words, meetingpackage is a platform which allows meeting professionals to book prequalified off-site meetings and instantly see what is offered in the price.

The Meetingpackage was first time developed and piloted in January 2015 in Finland under the name of kokouspaketit.com. A few days after the launch, first Finnish service providers were asked to register their meeting packages on the platform and give a feedback about their user experience. After implementing developments requested by the providers, on January 2016, the first version of meetingpackage.com was launched.

The purpose of this thesis is to create the business model of the company and to help to determine the possible areas for improvement.

1.1 Introduction to the authors

Before diving into the literature and theories about Startups, it is important to highlight the key authors whose theories and ideas were used in this thesis material. Nowadays, these people are playing significant role in start-up development and research processes.



Figure 2 Steve Blank.

Steve Blank in (Figure 1) is the entrepreneur and the founding father of the Lean-Startup. His model of “Customer development” is still used as the core for a lean-startup movement. He has also developed many strategies which help to define the difference between the small business and start-up. Currently he is teaching entrepreneurship to undergraduate and graduate students at U.C. Berkeley, Stanford University and Joint

Executive MBA programme at the Columbia University and Berkeley. His definitions will be highlighted in (Section 2.1).



Figure 3 Eric Ries

Eric Ries (Figure 2) is an entrepreneur who is recognised as the first person to pioneer the Lean-Startup movement. He is also an author of the book *The Lean Startup* (Maurya, 2012: XIII), where he describes lean-startup strategy and teaches start-up companies how to use this strategy to allocate their resources as efficiently as possible. Further definition of Lean Start-up will be reviewed in Section 2.3.



Figure 4 Alex Osterwalder

Alex Osterwalder (Figure 3) is the Swiss business theorist, also known as originator of the business model canvas. In his book *Business Model Generation*, he is introducing business model canvas as a tool or method with which businesses and entrepreneurs can achieve validated learning. In order to learn they need to fill in nine building blocks of the business:

Customer relationships, Revenue Streams, Cost Structure, Key Partners, Key Resources, Customer Segments, Value proposition, channels and key activities. The actual application of the business model canvas will be demonstrated in the (Section 2.4) when creating a business model for this start-up.



Figure 5 Clayton Christensen

Clayton Christensen in (Figure 4) is an American educator and business consultant. He is also an author of the book “The Innovator’s Dilemma”, in which he describes his theory of disruptive innovation. His theory mainly helps to understand why so many start-ups are born. His theory will be further explained in section 2.2.

2 Literature Review

In order to discover if meetingpackage.com has the potential to become a scalable start-up, it is necessary to review both - the basic theories and recently developed theories of startups. It is also important to understand the modern methods and tools that startups use to put theory into practice.

2.1 Start-ups

2.1.1 What is a start-up?

Over the past years, start-ups have invented and created wide range of different products and services which has helped to grow the global economy. This immense growth of these new born companies, has raised remarkable attentions from media and researches from all around the world. The Economist Newspaper compared entrepreneurial boom to ‘*Cambrian Explosion*’, which was the time on the planet Earth, when basic building blocks of life had just been perfected (The Economist, 2014). So what is a true meaning of a start-up?

Oxford dictionary defines startup as a ‘*newly established business*’ (Oxford Dictionaries, 2014). Whereas, Cambridge dictionary has similar explanation, where it defines startup as a ‘*business that has just been started*’ (Cambridge Dictionaries Online, 2014).

These definitions were questioned by entrepreneurs and economists which clarified that not every newly launched company is a start-up.

Steve Blank, the Silicon Valley Entrepreneur and founding father of the Lean-startup in his blog said the following: “*For many years’ people were considering start-up companies as a little versions of large companies* (Blank 2012). He defines startup, as a “*temporary organization designed to search for a repeatable and scalable business model*’ (Blank, 2010). His definition was supported by Paul Graham, who claimed that “*startup is designed to grow fast*’ (Graham, 2012).

However, Neil Blumenthal, CEO of the Warby Parker describes a startup as a company which operates to solve a problem without having obvious solution, thereby success for it is

not always guaranteed (Robehmed, 2013). His definition was also supported by Erik Ries, who defines startup as a designed human institution which is creating new services or products under conditions of extreme uncertainty (Ries 2010: 27).

He also emphasizes that not every startup is driven by profits as there are many startups which are designed inside the non-profit organization or governments (Ries 2010). In next paragraph we will look deeper into the types of startups.

Blank, in his Book “The Start-ups Owners Manual”, has mentioned five startup types:

- Small Business entrepreneurship,
- Buyable Start-ups,
- Large Company entrepreneurship,
- Social entrepreneur
- Scalable start-ups.

According to Blank (2012), Entrepreneurs which chose the path of small businesses do not have the vision to change the world from day one. Their goal is to become profitable and gain stable long-term value. Furthermore, buyable startups are designed with a purpose to be acquired by larger companies. These type of startups are self-funded and they have low capital risk. The third startup type is large company entrepreneurship.

These companies are adopting either disruptive or sustainable innovation approach. In order to create or maintain customers they develop new products and services. Innovation process within these companies happen independently. Another type Blank mentioned is Social entrepreneurs, which differ quite much from above described. These entrepreneurs search for solutions to change the world rather than gain profits. These type of companies exist in a form of government bodies or non-profit organizations and they are working in various sectors: healthcare, education, agriculture and even in eradication of poverty. The last type Blank mentions is scalable startup.

This type is popular among the technology entrepreneurs. Scalable start-ups require huge capital investments, in order to boost its fast expansion. Their missions are to come up with an innovative business model, which produces products or services customer wants to pay for and then repeat and accelerate it.

One of the Forbes contributors, Zwilling, defines a scalable startup as “*a business which has the potential to multiply revenue with minimal incremental cost*” (Zwilling, 2013).

Nevertheless, according to Blank “*a scalable startup is a company which intends to become large from a day one*” (Blank, 2012). The founders of this type of a company believe that they have come up with a next big think in a market which can grow to hundred million or more in annual revenue. The goal of these companies are usually either disrupting the mar-

ket or creating a new one (Blank, 2012). Using Figure 5 Blank has displayed the main differences between a scalable start-up and a Company.

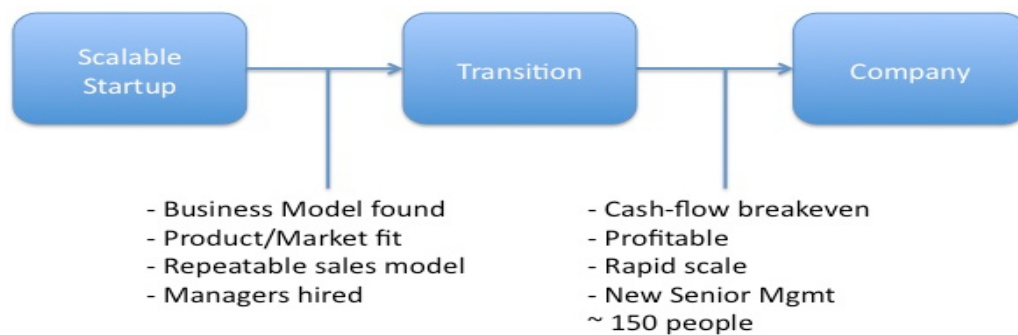


Figure 6 A scalable startup explained (Blank, 2010)

Scalable startup definition the best describes meetingpackage, as the founder's ultimate goal is to disrupt the market and grow big enough to become a global player. However, to become scalable and successful startup it is important to accurately measure and control innovation.

2.2 Disrupting the market

2.2.1 Innovation

In order to understand the concept of disruptive innovations, it is important to examine the concept of innovation in general. Innovation literally can be rephrased as "doing or creating new things". The starting point of innovation is creativity, where it means the act of formulating new ideas about the things. Until the invention does not create proper and clear consumer excitement and has economic values that provide tolerable differentiation, it does not become an innovation. Webster's English Dictionary (2005, 170) defines the word 'innovate' as "to introduce new ideas or methods, etc: to make changes". To understand the meaning, it has in the business context, Baregheh et al. (2009, p1334) describes innovation as the multi-stage process in which organizations transform their ideas into improved or new processes, services or products, in order to compete, advance and differentiate themselves successfully in their marketplace. Similar definition was provided by Kotler et.al.(2002, 499) who understands innovation as a service, technology, product or an idea, that has been marketed and developed for customers who perceive it as new or novel. It is a process of creating, identifying and delivering new service or product values that did not exist before in the market. Furthermore, Drucker claims that the innovation is the core element for every firm. In his opinion the best technique for a business to survive in an environment of rapid changes, is to innovate and turn the rapid changes into the opportunities (Drucker, 2006).

Another aspect of innovation was explained by Carlos Medina. Mr. Medina described innovation as an introduction of significant technical or technological change (Medina et al., 2005). In his opinion innovation goes beyond the technological activities even though when talking about innovation people tend to mainly focus on things such as software, electronics, hardware and the internet. It is important to understand that the scope of innovation can be versatile as it consists of business models, the target market, services, ways of working, new user experiences and the environment. Bessant and Tidd (2012) categorised innovations as either radical or incremental. Radical innovation basically means to “*do something differently*” while incremental “*do what we do better*” (Bessant & Tidd, 2013, p.26).

An innovation which triggers revolutionary or fundamental change is known as radical innovation (Dewar & Dutton 1986), whereas incremental innovation is adding new features to already existing product, or performing simple adjustments to it (Osborne & Brown, 2013, p.348). In order to strengthen the business in a long term it is important to engage in incremental innovations and in the same time explore the next radical innovations. Businesses which only concentrate on incremental innovations have a higher risk of failure than the ones which also follow a radical innovation path (Bessant & Tidd, 2013, p.78). The ability to continuously generate innovations is one of the most crucial capabilities in modern business environment (Elonnen et al., 2009).

2.2.2 Disruptive Innovation

Christensen et al. (2004, 293) define disruptive innovation as follows: “*An innovation that cannot be used by customers in mainstream markets. It defines a new performance trajectory by introducing new dimensions of performance compared to existing innovations. Disruptive innovations either create new markets by bringing new features to non-consumers or offer more convenience or lower prices to customers at the low end of an existing market*”. In his opinion innovations can be categorised in two groups: disruptive and sustaining ones. When talking about sustaining innovation it usually appears to be the most profitable and important innovation as it simply takes a good service or product and makes it better.

Conversely, disruptive innovations are usually created by the industry entrants which then by redefining performance trajectories eventually displace the established competitors (Christensen, 2004). In other words, compared to already existing innovations, disruptive innovations introduce to new dimensions and create new values. In addition, disruptions can be further categorised in two types: New-market disruption and low-end disruption. New-market disruptions are innovations that by creating a new competition and consumption context, creates a whole new value network. In turn, low-end disruptions are innovations, that are

aimed to the least-profitable and over served clients. (Christensen and Raynor 2003, 43-45)
Figure 6 presents the difference between low-end disruption and new-market disruption.

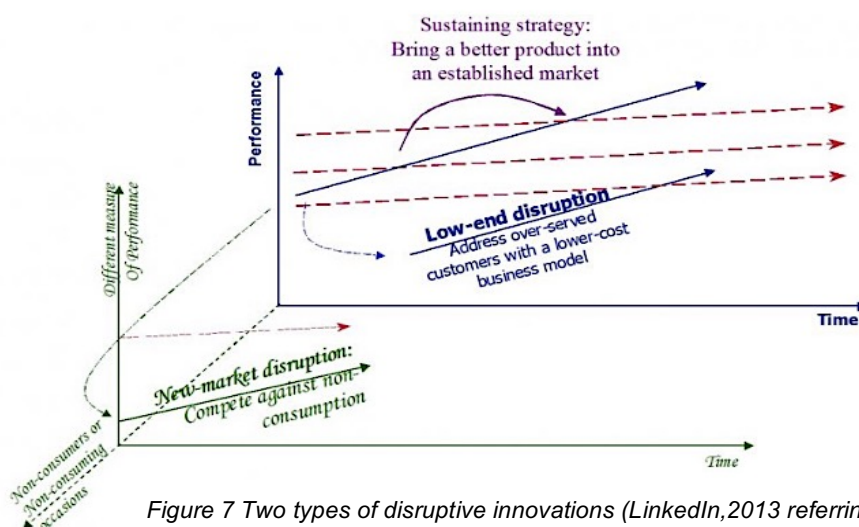


Figure 7 Two types of disruptive innovations (LinkedIn, 2013 referring to Christensen and Raynor 2003).

Being able to compete against non-consumption often is the biggest source when it comes to growth. When making existing product or service simpler and more affordable, new-market enables a new target market allowing more customers to purchase the product they previously could not (Christensen and Raynor 2003; 45, 78). The distribution of wealth was compared by Prahalad, which visualised the current state of wealthy and poor in a form of pyramid. At the top of the pyramid he placed all the wealthy ones which have opportunities to create even more wealth. The bottom section was more significant, as in some countries poor is estimated to be the majority, therefore representing immense new market potential. (Prahalad, 2006). Furthermore, low-end disruptors usually achieve their success by targeting those customers in which big established companies are not interested and are ignoring (Christensen et al. 2004, 270). A good example of low-end disruption can be faced in retailing business, where discount retailers are selling familiar products with lower price as they have less floor salespeople than in other high-value retail stores. Through different approach, this business model has enabled low-cost retail stores to keep their profitability (Christensen and Raynor 2003, 45-47).

These type of business model innovations clearly show that companies are able to offer their products and services either at lower prices or change the convenience of it (Christensen et al. 2004, 270). In addition, Christensen (2007, 18) claims that it is important to understand that it is not just about the technology what makes disruption powerful. It is the business model which surrounds the technology and which allows at low price points disruptor to be profitable or transforms it in a completely different value chain. Hence, the both low-end and

new market disruptors are not competing with the existing major players in the market. They are targeting either low-end customers or completely new markets, which therefore do not seemingly pose an immediate threat to the market leaders. This allows them to not be recognised or seen as competitors before it is too late.

In order to develop fast paced disruptive companies, many startups are choosing to use the business model approach together with Lean Startup theory. In the next chapters will look at the Lean-Start-up and Business model theories.

2.3 Lean Start-ups

2.3.1 The Origin of a Lean-Start-up

Lean start-up first coined by Eric Ries in 2008, is a very useful tool and process to help businesses to tackle the challenge (Blank 2014). Eric Ries defines a lean startup as method which teaches entrepreneurs how to drive their businesses and when to persevere and grow the business with maximum acceleration (Eric Ries, 2011). In his book Ries (2011: 8-9) has used five principles to comprise the theoretical foundation for the Lean-start-up method.

1. **Entrepreneurs are everywhere.** The Lean Startup approach can work in any size company, and in any sector or industry.
2. **Entrepreneurship is management.** A startup is not just a product, but it is an institution. That is why it requires a new type of management specifically geared to its context of extreme uncertainty.
3. **Validated Learning.** The idea of a start-up is to learn how to build a sustainable business model. By running frequent experiments that allow to test each element of entrepreneur's vision, this learning can be validated scientifically.
4. **Build-Measure-Learn.** The activity of a start-up is to transform ideas into the products or services, measure the customer responsiveness and then learn whether to persevere or pivot. In order to accelerate that feedback loop, all the successful start-up processes should be geared towards it.
5. **Innovation accounting.** To hold innovators accountable and improve entrepreneurial outcomes. We need to focus on how to set up milestones, prioritise work and measure progress. This requires a new type of accounting designed for start-ups and people who hold them accountable.

Furthermore, the authors of the “*Startup Genome*” article describe Lean startup as a tool which is combining three systematic development methods: Agile Development, Lean Manufacturing and Customer development (See Figure 7). The philosophy of this tool is to accel-

erate decision-making process by testing unfinished products in the marketplace and collecting customer's feedback already from day one. Thereby, a company can avoid premature scaling and significantly reduce the risk of creating products that customers will not purchase. In comparison with traditional management practices, where detailed planning and market research is the core, lean method's fundamental idea is to fail fast and keep learning from mistakes (Startup Genome 2011).

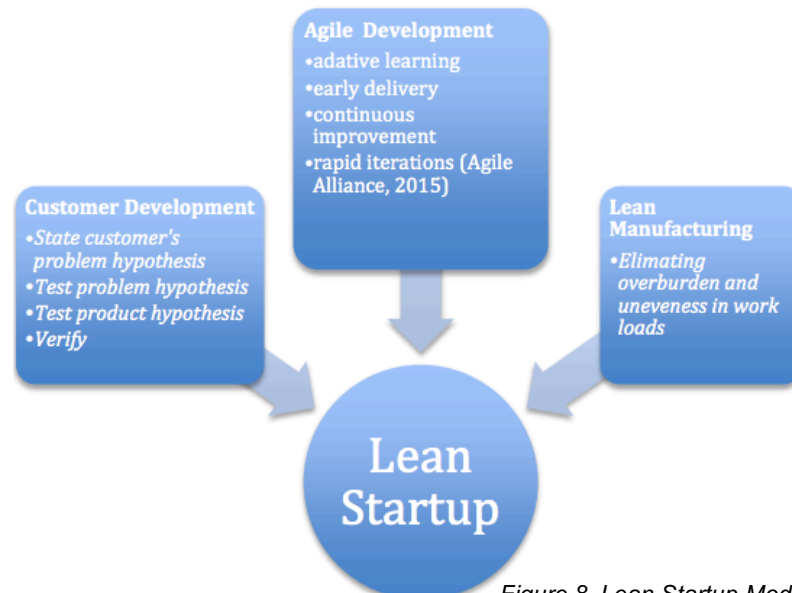


Figure 8 Lean Startup Model by Genome 2011

In other words, lean-startup method is about testing the hypothesis of entrepreneur such as, when they try to find out who are their customers and what products and services they want. In order to aid the entrepreneur in mapping their hypothesis and validating them a business model is created often using a tool called the business model canvas.

2.4 Strategy of a Start-up Equals Business Model

2.4.1 Validated Learning

For a long time, it is believed that business can gain considerable advantage from writing a meticulous business plan. A well structured and built business plan usually contains a description of a business, marketing plan, a careful market research, financial management and general management which serves as a lifetime guidance for a company to follow (Pinson 2005). Besides, a business plan itself is a clear evidence that a firm is well managed. However nowadays we can observe two appearing phenomena's which prove that a well constructed and developed business plan is no longer an auxiliary for either large organizations or start-ups as:

- Well-structured and managed companies are failing
- Start-ups do not fail because of the business plan, but because they are producing products which has no demand in the market.

The recent research done by David Kirsch have proved that under a variety of unsettled circumstances, a business plan is pointless to a business, especially start-ups (D.Kirsch, 2009). In the Lean start-up company's constant experiments are conducted in order to validate market assumptions about their product, prior spending all their time and money on making it perfect. This process is called validated learning and it aims to create a sustainable business. Similar process in which entrepreneurs are making assumptions, evaluate which one to test and alter them depending on testing results was defined by Harper (1996). He defined it as "*a type of scientific process of entrepreneurial discovery and learning*" (Harper & Earl 1996). According to Harper, knowledge of entrepreneur's can not be proved, conversely, by decisive experiments it can be falsified. In addition, the process of entrepreneurial learning is endogenous, as the entrepreneur itself has a problem to solve and it urges the business to find a perspective solution (Harper, 1999). Nevertheless, Ries (2011) and Blank (2006) argued that assumptions had to incorporate in a line with the company's core values and vision. Ries (2011) also remarked that there are two types of hypothesis in a start-up: growth and value. The growth hypothesis examines how the service or product can become more attractive to the customer, whereas value hypothesis checks if the service or product can actually solve customer's problems and is it even bringing any value to them by purchasing it. On the other hand, Jason Cope in his journal claims that the success of entrepreneur is made up from excellent learning skills (Cope 2005). Based on Bingham and Hakebilian (2012) in the organization there are two types of learning techniques: Indirect and Direct. Direct learning usually is more time consuming as it is achieved by testing first. Conversely, indirect learning is achieved from observation and cloning, so it is easier and faster to pursue. For already developed company a better choice is to apply indirect learning first, and then shift towards direct learning. However, for a start-up, it is better to set their course towards market opportunity and start with direct learning and then switch towards indirect learning.

2.4.2 Business Model

One of the lean start-up tools that can help to visualise the hypothesis of entrepreneurs and help to learn more about their businesses are business models.

A well planned business model, is a valuable tool for a successful start-up. In order to create one, entrepreneur should have a clear idea and definition of what business model compris-

es. According to Osterwalder (2010) a business model is '*the rationable of how an organization delivers, creates and captures value*'. His definition was argued by assistant professor of strategy at INSEAD Nathan Furr, which claims that business model is actually a series of assumptions, as value identifying happens within entrepreneurial knowledge. This, however means that business model's – a go to market strategy, is hypothesis driven (Furr, 2014). Nowadays, a business model is an effective communication tool within the company and it also helps to visualise the hypothesis construction. The most known business model template is Business model canvas, which was introduced by Pigneur and Osterwalder. In their book "Business Model Generation" they define business model as having been made from 9 "building blocks": (Figure 8)

1. **Customer Segments.** This block defines different organizations or groups of people which an enterprise aims to serve and reach.
2. **Value Propositions.** This block describes the bundle of services and products that create value for a specific customer segment. Values that company seeks to deliver: price, risk reduction, customization, newness, performance, brand or status, or accessibility.
3. **Channels.** Value propositions are delivered to customers through distribution, communication and sales channels. These channels can be either direct, for example own website, or indirect through retailers.
4. **Customer relationships.** This block explains the types of relationships company establishes with specific customer segments. For each company it is important that their customer relationship approach distinguish to maintain a steady image.
5. **Revenue streams.** This block represents the cash what a company generates from each customer segment. Whether it is subscription fee, asset sale or licensing, for each profit-driven company the ultimate goal is to generate income and profits.
6. **Key Resources.** Are the assets which are required to make a business model work. To mention some: psychical assets, human resources and intellectual properties can all be key resources.
7. **Key activities.** Are the most important things which company must do to make its business model work.
8. **Key Partnerships.** Represent the key network of partners and suppliers that make the business model work. In most of the companies some activities are outsourced and some are acquired outside the company. These aim to lead to optimization of operations, economies of scale, risk reduction or acquisition of particular activities or resources, which would not be worth producing in-house.

9. **Cost structure.** In this block are included all the costs which occur when operating the business. Usually costs need to be maintained as low as reasonably possible. Some business models allow for higher costs in order to deliver higher value of a product or service. The components of cost structure: Economies of scale, fixed costs, variable costs and economies of scope.

A more detailed description of the business model is available to download form the business model generation site,

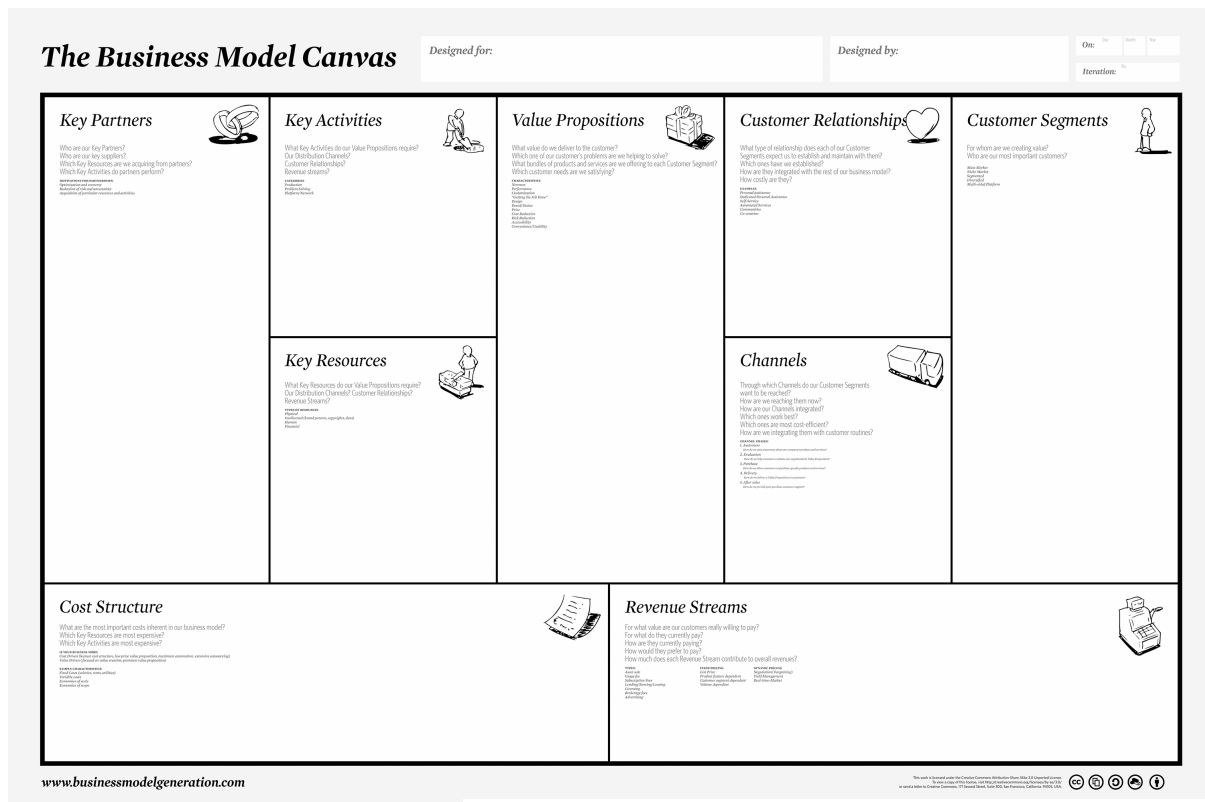


Figure 9 Business Model Canvas (Osterwalder, A. & Pigneur, Y. 2010)

One adapted version of business model canvas is lean canvas (Figure 9), developed by Maurya in 2012. His version differs by having elements of solution, key metrics, problem and unfair advantage instead of customer relationships, key activities, key resources and key partners. Maurya claims that if picking of a customer segment and premature building of the solution are untested, it can lead to a waste of time (Maurya, 2012:23). It also appears that lean canvas are more suitable for a lean start-up as it concentrates on the beginning stages of an enterprise and exploration of market and product fit (Kromer 2014).

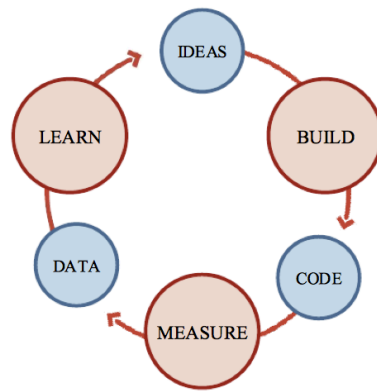


Figure 11 The Lean Startup: Build-Measure-Learn Feedback Loop (Anonymous, 27 Dec 2011).

In order to measure the progress, validated learning is applied to a full turn around the loop. The main purpose of MVP is to gain feedback from the customers so that product developers can iterate and change the product accordingly. In terms of lean start-up, an MVP's goal is to validate company's business hypotheses and fasten the beginning of the learning process.

2.5.1 Build

MVP can be perceived as the tool which minimizes the risk when testing if the assumed business model works (Blank, 2012). In turn it should not simply be the product that is barely functional. According to Blagojevic, if a product does not offer the customer any other value than functionality, it cannot be considered as reliable and usable by customer (Blagojevic, 2013).

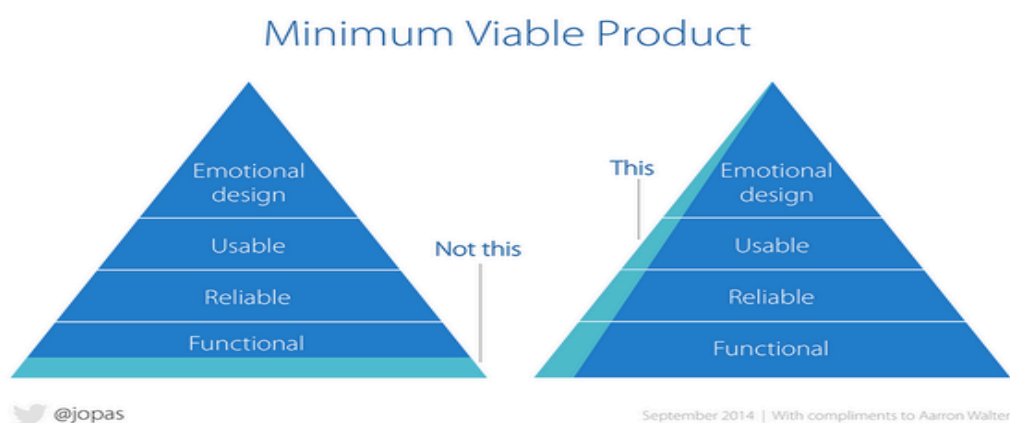


Figure 12 Minimum Viable Product Explained (Pasanen 20 Jun 2016).

In addition, Blank claims that the most common misconception the the MVP is that it has to be a tangible product (Blank 2014). As examples, he provided some common types of MVP:

1. Online Video

Dropbox, one of the most known cloud storage providers and file-sharing services in the world, created a short and simple three minutes' demo to demonstrate the functionality of their product, and combined it with some marketing tools to make it more visible. The idea of video was to test their assumption regarding the lack of the superior file synchronization in the IT industry. As a result, their assumption proved to be right as they got over 70 000 email sign ups overnight via their landing page (Blank, 2014).

2. Landing Page

Another example of MVP is Landing page. The simplest website which consists of minimum information about the offering, and calls to perform an action e.g. register, place an order. The activity on the page is usually measured by analytic tools e.g. Google SEM, which help to understand the actual status of the page (Blank, 2014).

3. Concierge MVP

"The concierge mvp is a minimum viable product where you manually guide your user through the solution to a problem" (Ries, 2013).

4. Wizard of OZ

Blank uses the example of Zappos, where the founder of the company took the shoe photos from shoe stores and place them on the website. When the customer would be willing to order the shoes, the founder would buy them from the store and ship them to the customer. With this knowledge he was able to validate his assumption that there was a need for online shopping experience (Blank, 2014).

2.5.2 Measure

In comparison with traditional product development, reliable measuring of feedback initially creates additional work, however over time it should become easier as it integrates as a natural stage in development. To measure the progress in Lean start-ups following techniques are used.

Cohort analysis – According to Skok (2016) a cohort is “a fancy word for group of customers”. This group usually shares common characteristics and are grouped depending on a particular month they joined.

Conversion Funnels – journey a customer takes via websites to finally convert to a sale (Wikipedia, 2016).

Split testing A/B testing – is a comparison between two websites in order to find out which one performs better (Vwo.com, 2016).

Net promoter score (NPS) – Is a management tool which measures how likely the customer would recommend service or product to his acquaintances (Wikipedia, 2016).

Usability testing – The primary goal of usability test is to improve the usability of the product that is being tested. Moreover, another goal is to improve the process by which products are developed and designed, so that it is possible to avoid the same problems again with other products (Dumas, 1999).

Dave McClure (2007) introduced the term “pirate metrics” or otherwise known as conversation funnel. It helps start-ups to understand better what to specifically measure.

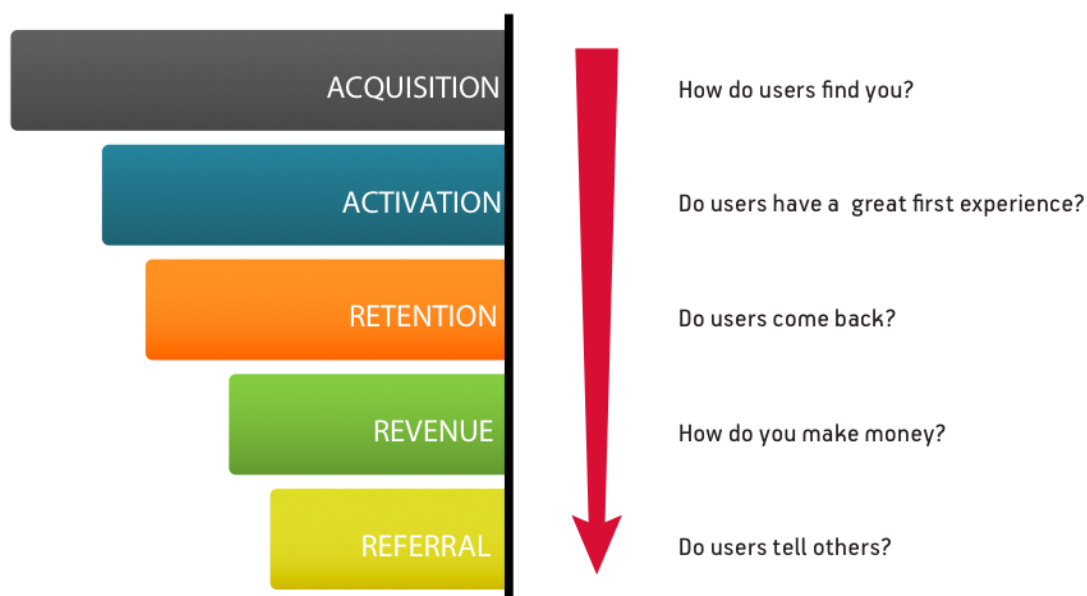


Figure 13 Pirate metrics explained (McClure, 2007).

Different companies may have different types of conversion funnel models; it all depends on their type of business. Typically, the funnel starts with generating awareness of the service/

product among an audience. This can be done in multiple ways, but the most common ones are Online search or clickable online advertisements. Once the right method is chosen, a business needs to build trust and interest in the potential customer. There are multiple ways how it can be done. The next step, ideally, the customer should place an order. Finally, to retain them and make them refer the product relationships with these customers should be kept strong. (BigCommerce, 2015).

2.5.3 Learn

In order to improve and to find out which parts of MVP are valuable and which consist of waste, it is important to learn when interacting with customers. According to Ries (2011, 46) anything what is not being tested with the customer can be perceived in a form of waste and it is better to find it out as soon as possible. When the build – measure loop is finished, entrepreneur needs to decide either preserve with the current business model and strategy or pivot in a new direction. The key to developing the business model, carrying out research to validate learning and developing a minimum viable product is ultimately to scale the business which is gain large amounts of paying customers or noted earlier to become “*a business which has the potential to multiply revenue with minimal incremental cost*” (Zwilling, 2013).

2.6 Customer acquisition

Established and well-functioning business often rely on its existing customers and concentrate on development of current customer relationships; in other words, the business is working in its *comfort zone* and concentrating on existing customer retention (Jobber 2004, 470). Acquiring new customer base is crucial business activity, as nothing is aeonian and over time current customers may switch to other products or services as they might find the company’s offering obsolete. In terms of start-up company its customer acquisition is central by definition, as it may not have any customers at all.

According to Kotler and Keller, customer acquisition is the process of defining target markets and prospecting for new customers (Kotler & Keller 2006, 38). Withal, it involves establishment of new customer relationships with selected prospects.

Therefore, the main goal of customer acquisition is to identify potential customers as well as select effective methods to attract and approach them (Storbacka & Lehtinen 2001, 69–72.)

In addition, Buttle, claims that customer acquisition is a part of customer relationship management and customer lifecycle management, as customer lifecycle itself is linked with key marketing activities of getting, growing and keeping the customer base (Buttle 2009: 227). Figure 12 demonstrates the relationship between customer acquisition, marketing, sales and looking for any other customers.

Customer Lifecycle Management - An Overview



Figure 14 Customer lifecycle management explained. Adapted from (SlideShare, 2016).

Buttle divides customer lifecycle management into three categories: developing customer values, acquiring new customers and retaining existing ones. He also claims that both customer acquisition management and customer relationship management should be viewed as strategic organizational goals, as they play crucial roles for start-ups and other companies (Buttle 2009; 227).

2.6.1 Customer acquisition and online marketing strategies

Online marketing as part of marketing mix have become increasingly important for companies when retaining and acquiring new customers. Setting up an online marketing presence creates a greater possibility to compete and success in business world (Armstrong & Kotler 2007, 447).

Jen Williams in her article describes online marketing as a process in which companies can promote their brand, services or products over the internet. The broad scope of online marketing includes electronic customer relationship management, email marketing and any promotional activities done via wireless media. Therefore, it can combine various technical and creative aspects of so called 'World wide Web', such as development, sales, advertising and designing (Williams 2012). In addition, an online marketing can be divided into different types:

- Affiliate Marketing
- Display Advertising
- Email Marketing
- Inbound Marketing
- Search engine Marketing
- SEO
- Social Media Marketing

When developing a functional online marketing strategy, it is crucial to acknowledge the importance of marketing mix. Online marketing concept should not be the only element in it. In order to create a successful overall marketing strategy, it is important to understand the relationship between online marketing and traditional marketing (Bayne 2000, 9).

In addition, online marketing is not worth much, unless customers become aware of company's existence in online environment. Therefore, to create added credibility, companies should announce their online presence in other channels as well (Bayne 2000, 15). An advantage of digital marketing is that it allows to find and engage the customers with much lower cost and faster rate than traditional marketing. Hence, this type of marketing principles should remain the same: to be efficient it should use an integrated approach.

In Chaffey's opinion a successful online marketing strategy should display following traits:

"Firstly, it has to be aligned with the company's business strategy and has to have its own compelling value proposition model. Secondly, it has to be consistent with the types of customers who use the channel and has to follow full customer lifecycle model of attracting, converting and growing customer base within the channel itself. Thirdly, he adds that online strategy should have clear objectives for business and brand development and follow customer-buying process as they choose and compare products" (Chaffey, et al 2012:13).

In comparison with traditional marketing, online marketing has one significant advantage; it provides an instant data on how the customers have followed-up on each of these steps (Chaffey, et al 2012, 14).

Both online marketing and customer acquisition are crucial elements for company's growth.

2.7 Sales Funnel

"A sales funnel, also called a purchase funnel, is the visual representation of how a sale proceeds in a linear fashion from customer awareness to customer action" (Rouse, 2016).

In 2012, Kotler and Armstrong introduced more traditional selling process model. It consisted of seven stages: prospecting and qualifying, pre-approach, approach, presentation and demonstration, handling objections, closing, and follow-up.

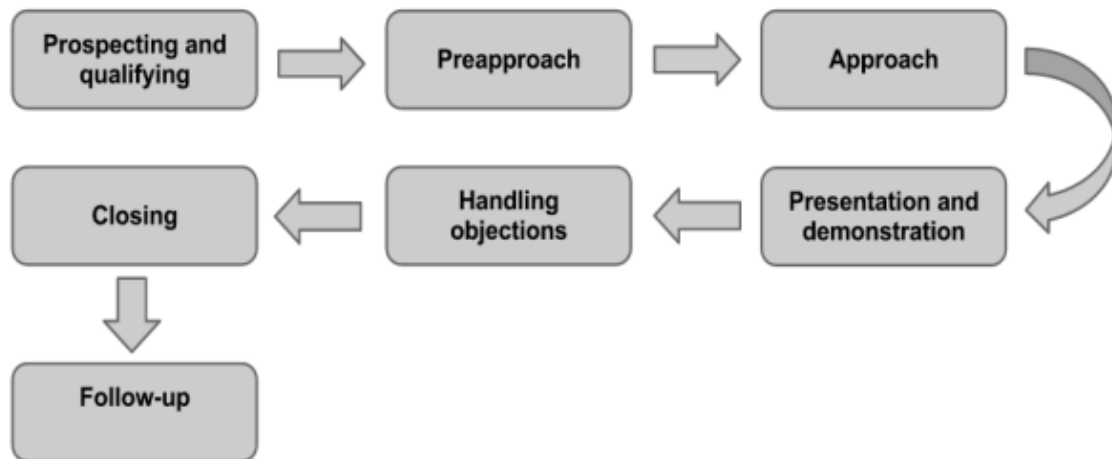


Figure 15 The Selling process Model (Kotler & Armstrong 2012).

The first stage in the model is prospecting or in other words identifying potential customers. Finding and getting in touch with the right potential customer is a crucial part of any selling process. Therefore, mastering effectiveness of prospecting is the fastest way to increase sales. Kotler and Armstrong explains that potential prospects can be qualified by their volume of business, location, special needs, possibilities for growth and financial abilities. For sales people, the best prospects are referrals such as already existing customers, dealers, social networks or web. They can also search for prospects in trade fairs, newspapers or online directories (Kotler & Armstrong 2012, 502, Blythe 2005, 51).

The second stage is pre-approach. In this stage salesperson needs to investigate and learn as much as possible about the company and prospect before he contacts it. While gathering the information, a salesperson can understand the possible problems already before discussing them with the prospect (Blythe 2005, 55). He can try to find an information from online sources or just talk to the acquaintances and others that might provide some useful details about the prospect. In this stage salesperson must also find out the best possible method on how and when the potential prospect should be contacted (Kotler & Armstrong 2012, 502-503).

The objective of the 'approach' stage is to start a conversation and establish a relationship. In this stage it is important to catch and attract the potential customer's attention and ask key

questions about their needs. It is important to remember that listening to the customer is crucial (Kotler & Armstrong 2012, 502-503).

In the presentation stage salespeople must explain to the potential customers the '*value story*' of their product /service and demonstrate how can it solve their problems. It is also called as 'customer solution' approach. Customer always wants to know how the particular product / service will add value to their business. It is also important for the salespeople to listen customer concerns, understand what they want and offer only those products or services which they need. In addition, the particular sales presentation must be carefully planned (Kotler & Armstrong 2012, 503- 504).

Kotler and Armstrong emphasizes that most of the customers will always have objections towards the offering. These objections are either psychological or logical and often unmentioned. The task for the salesperson is to clarify them, then turn into the opportunities and present with more information. If properly done, these objections can be triggered into becoming the sale (Kotler & Armstrong 2012, 504).

In the closing stage salesperson suppose to get the sale done. Each salesperson finds this stage differently. For some it may prove difficult as they might lack experience, confidence or fail to recognize the right moment to close it. There are multiple techniques which could be used, e.g. offering a help when writing the order, reviewing the points, offer lower prices or extra quantities if order is placed immediately (Kotler & Armstrong 2012, 504).

The final stage of the selling process is follow-up. This stage is important if the salesperson wants to get repetitive orders and make sure that the customer is happy with the purchase. These can be done either by phone call or face-to-face meeting. This assures the customer of the salesperson's interest, and reduces customer concerns that might have arisen after the sale (Kotler & Armstrong 2012, 504).

This literature review has looked at different theories and aspects which should be considered when creating a business model. The following section will describe the methods that were used when creating this research paper.

3 Methodology

In order to implement research successfully a suitable methodology is important. It defines the researcher's view of the world and introduces the reader on how the research was conducted. This allows to better evaluate the validity and reliability of the research. In the following chapters, the methodology of this paper will be presented.

One can define research as systematic investigation designed to contribute or develop to generalizable knowledge. In the business context the purpose of the research is to understand and establish the truth about certain phenomena by using scientific methods (Kothari 2008).

Research can be divided by its objectives into three divergent groups:

1. *Exploratory research - to gain familiarity with the phenomenon or to achieve insights into it.*
2. *Descriptive research - the research that portrays accurately particular situation, individual or phenomenon.*
3. *Hypothesis testing research studies - to test causal relationship between variables (Kothari C. R., 2008).*

The aim of this research was to most importantly find out how the case company can develop a scalable business model and in addition understand its current business setting. Respectively, descriptive research will be applied to the case company future analysis and business operations (Kothari C.R., 2008).

3.1. Types of Research

Besides research objectives, there are different types of research as set out below:

Analytical research vs. Descriptive

In **analytical research** the researcher tries to study readily available data, whereas the main purpose of the **descriptive research** is describing the current state of affairs (Kothari 2008). Descriptive research technique will be applied for this thesis paper, as the main purpose of it is to find the solution for an existing case company.

Fundamental vs. Applied Research

The idea of **fundamental research** is to deal with generalizations and try to formulate theories. Whereas, **applied research** aims to understand the problem and find the solution for common problem. For this thesis material, the author will use applied research as he is trying to solve the problem and find a solution for it.

Qualitative vs. Quantitative research

Qualitative research is used to study quality or depth of certain phenomena (Kuada 2012). Conversely, **quantitative research** is based on quantitative data measurement and analysis. It is used when studying phenomena which can be measured.

For this thesis, qualitative research was chosen. The author wanted to define the key issues needed to be taken under consideration as well as identify the milestones that needed to be reached by the business in order to consider it to be a scalable business.

In addition, there are various methods of collecting qualitative data. It can be carried out with document analysis, observations, focus groups or interviews.

The main sources for this thesis material were in depth interviews with the case company founder, the author's own observations, internal KPI documents and company's Google AdWords reports.

For the in-depth interviews open-ended questions were used to acquire more descriptive responses from the interviewee (See Appendix). The following questions were grouped into six sections – General Questions, Start-up, Lean-Start-up, Business Model, Customer acquisition and Sales funnel.

3.2. Questionnaire and research sections

General questions

Start-up

The objective of these questions were to understand the CEO's knowledge about the term - start-up and to find out how he defines his own start-up and its current culture. Another important aspect of these questions were to find out, where does he sees the company in the future, and does he believe that it can disrupt the industry.

Lean Start-up

The questions for this section were made with a purpose to find out the CEO's knowledge about lean-start-up and to discover the lean start-up tools he has applied in his business. Thereby, with the questions in this section, author tried to find out how did the CEO of the company tested his hypothesis and made sure that his idea will be a success.

Business Model

The objective of these questions were to build a business model of the case company. Before the interview, the author drafted his version of the business model and prepared questions for the CEO in order to collectively fill up the missing information in each of the building blocks.

Customer acquisition

The questions for this section aimed to seek an answers on how the company acquires its customers and what is the cost to do that.

Sales Funnel

The objective of this section was to find out how the sales funnel of the case company is working. The questions also helped to understand how the CEO is measuring his sales team success.

Reliability, validity and applicability

Every researcher should ensure validity and reliability for each of their studies they conduct. Despite on the fact that qualitative research sometimes is harder to make reliable and valid than quantitative, it is thereby important and possible (Kothari 2008). Furthermore, the relevance of research is important.

To ensure the reliability of this study, author saved all the data and documentation, interviews, and attached them to the appendixes section. Therefore, all of the data what was gathered is consistent with the current case company business operations.

Limitations

The main limitations of thesis were time and amount of data available on the topic.

The case company has been operating properly for only few months, which is not long enough time to get suffisticated metrics about the business. If the thesis would be written next year the amount of results and suggestions would be far more greater.

Secondly, some of the data was not available as the research company's is operating in the niche market, and many things are still unknown

4 Results

4.1 Meetingpackage.com

Cocouz Ltd or Meetingpackage was founded in 2014 and in its early stages there were 4 employees. Nowadays Meetingpackage has approximately 20 employees working in Finland, United Kingdom, Germany, India, Australia, the Philippines. Meetingpackage is a company which provides an online platform for hotels and other meeting venues to advertise their conference rooms in the form of a package. The package must include – meeting room, coffee / tea breaks, basic meeting equipment and lunch. These packages are mostly advertised to personal assistants and executive assistants which are organizing meetings for their companies and are non-professional meeting organizers. The founders of the company are the CEO Joonas Ahola, and Saku Loukonen. For Joonas this is already the third company he owns, and he has never had a corporate career. However, the inspiration for starting Meetingpackage mainly came from other people and their ideas. The business idea of the company was developed based on Joonas's experience and previous business he had. During the past few years of his entrepreneur life he was fed up with sending enquiries for meetings. He wanted to make people happier and smarter by providing a tool which revolutionizes the industry. During a scheduled interview with Joonas, he pointed out that the vision of the company came first, he did not have a strategy at that time. The idea was to come up with the solution for killing enquiries and eliminating competition in the industry to become as dominant player in the meeting business as booking.com in the leisure sector. When talking about successful start-up, Erik Ries defined it as *"success is not delivering a feature; success is learning how to solve the customer problem"* (Ries, 2012). When asked how he would define the success for the company Joonas noted that Meetingpackage will be a successful company when it cash positive and in case of exit, it is acquired by a company which will take good care of it and its employees.

4.2 Start-up type meetingpackage.com

Paul Graham defines start-up as a *"startup is designed to grow fast"* (Graham, 2012). His definition was also supported by Joonas the CEO of meetingpackage who described start-up as "something what tries to be global, aims to become big, grow fast and not going toward the corporation direction. Start-up should be lean". In his opinion there are three words which ideally define his start-up, and it is - **people**, **culture** and **mind-set**. He emphasizes that for the company to be a successful it needs the right people with the right attitude and vision. It

helps to sustain the culture of the company and motivate the rest of the team. Thereby, each team member should have the same mind-set and goals; otherwise start-up cannot exist. It is utmost important that every employee share the same dreams about the company, despite being at work or outside of it. Based on authors own observations, one of the approaches Joonas uses to maintain the mind-set and culture of the company is to regularly have some bonding events, where team mates can do activities together and learn a little bit more about each other. This is truly important, as many tasks in the company are done in a teams, and each of the employees is part of the chain mechanism.

Hence, working in a company like this, allows each of the employees to find a position in which they are good at.

“The fact that the company consists of people from different backgrounds and cultures, allow each of us to learn new things and fulfil the areas in which we were lacking the knowledge”.

In his opinion it is not important what experience the employee has had before, as far as it is eager to learn, ready to work in a team and motivation level is ‘rocket’ high, he is satisfied”.

As previously mentioned, there are different start-up types where they can belong to. It all depends on a reason why the start-up was created at the first place. Joonas emphasized, that Meetingpackage is definitely aiming towards the direction of scalable start-up. He believes that, at some point, if the start-up is scalable enough, it will be purchased by larger company which will give it ‘big wings’ and new home. At that stage the start-up would become a buyable one, but until that there are still many things to be done.

4.3 Disruptive Innovation

“Meetingpackage radical innovation can definitely disrupt the market”, says the CEO of the company. The uniqueness of the meetingpackage is that it is offered by almost every venue in the world and by selling them, they maximize their profits. A typical meeting package would include: meeting room hire, basic meeting equipment, lunch and coffee/tea break. It is important to understand that, our service not only gathers these packages and puts them under one roof, but we also provide custom packages, allowing the clients to pick the items they need for their meeting and instantly see how much it will cost. The idea is to allow clients to compare “apples with apples” and pick the one which suits the best for their meeting, product launch or training session. “We have designed something which saves a lot of time for both parties and that is why we are growing faster in the industry comparing to our competitors which only allow the client to pick and see the price for meeting room rental”.

Based on the HBBA association findings in 2011 UK alone, more than 1,301,600 meetings took place and in total they attracted 116.1 million attendees who accounted for spending just under £40 billion. They discovered that in total meetings took place in 10,127 venues across the UK, from which 27,7% were in large hotels (more than 50 rooms). On average each venue was used for 125 days which leaves around 240 days of empty meeting rooms space yearly. They claimed that More than 81% of meetings were held for the corporate sector, 6.3% of meetings were for associations, 5.2% for non-government and not-for-profit organisations and 4% for government and public service organisations. Another important finding was that 60% of meetings were held for a small amount of delegates which range from 10-100 delegates. More than half (53.8%) of meetings in the UK in 2011 were a day or less in length. Thereby 78,5 % of people attending the meetings were domestic.

In 2011, the total spend generated by international meeting attendees was £10.8 billion; national meeting attendees spent £21.3 billion.

The total spend by people who accompanied attendees to the The largest expenses for UK meeting organisations were for venue hire (17.4%), equipment/production (13.4%) and food and beverage (11.9%) (HBBA, 2011).

Following on from the HBAA study in 2014, Meetingpackage carried out a market research in Finland, where we tried to find out how long it takes for an Assistant to organize a meeting for their company outside their own premises. The results were shocking, most of them would claim that on average it would take approximately two days to get the basic meeting arranged and confirmed. If we are looking at more complex ones, it can take even longer. This is mostly due to the lead times in replying.

Meeting venues daily deal with hundreds of 'enquiries' and for them it is impossible to answer in the same second. Usually the assistant would search for few hours to find the right venue for her event, then she would call the venue to find out is there an availability, and would try to find out what food will be offered, how much it costs and can the room have a certain seating setting. Then she would wait until venue gets back with proposal and she would need to sign it and send back. If the venue offering is too expensive for her, she would have to perform the same steps again.

Joonas emphasizes that meetingpackage is a pool where you can find everything if you need to organise a meeting. Therefore, it is easy to use, there is clearly a need for it and it can save a lot of time. He believes that his idea has everything to disrupt the market.

4.4 The Lean-Startup

A term Lean-Startup is nothing new for CEO of meetingpackage. Even before he started his company, this was already very popular term among the modern entrepreneurs as most of the networking events and business speeches about start-ups promoted it. Eric Ries defined lean start-up as *“method which tests the hypothesis of entrepreneur guesses such as, when they try to find out who are their customers and what products and services they want.”* When asked how he would define the lean startup Joonas noted that “being lean for me means that you make many fast decisions and that they are not necessarily 100% tested. If the decisions are wrong and does not bring the results expected, you should keep trying testing something new before it is too late. In addition, you do not go same footsteps as others as you have to try to hack the market in different ways.” He points out that lean method can be used not only in a business but also in your everyday life.

As noted earlier, Lean-startup is all about testing the hypothesis of the idea and finding the best possible technique to make it successful. Joonas pointed out that one of the ways how he tested the hypothesis of his idea was with a few Minimum viable products. Back in 2013, he started with a company and website which was suppose to connect venues with companies providing catering, so that they would be all booked directly online. The focus was at that time in both consumers and corporates. After having the company and the website for a half year, he noticed that consumer events are hard to manage and digitalize due to every customer individual needs. There was no formula which fitted all, as different clients would have different budgets and different desires. In turn corporate needs for the events were easier to please and they usually brought the most of the profit. In the summer of 2013, Joonas decided to build an initial MVP for meeting packages and target the Finnish market area. After two months the new website was up and running, and they started to invite hotels and other venues to place their meeting package on newly launched website. In two months the newly launched website had over 100 meeting packages online. Joonas noticed that venues had extensive interest towards the service and he understood that the business can scale and become something big. At that point he started to look for an international opportunity.

In 2015 Joonas had his roadmap ready and it helped to get their first investors which funded the Research and Development phase for internationalization, as well as helped to steer the business in the right direction. During 2015, his team started to develop the new interface for the website. The new development was based on the feedback received from the Finnish MVP product’s performance in the Finnish market. Erik Ries in his book defined *“the purpose of MVP is to gain feedback from the customers so that product developers can iterate*

and change the product accordingly". When asked Joonas, did he followed any theory when creating MVP, he noted that it was just a coincident. Joonas explained that until today his company made many one hundred eighty degree turns starting from the initial idea of the product to the market entry approach and customer acquisition. Many of the decisions have been fast and based on the metrics together with a feedback from the partners. Now he believes that he has a product which fits and meets customer needs in Europe.

Nevertheless, when looking at the earlier theory, lean start-up notes product/market fit when the product is the right fit for the market. Based on authors own experience meetingpackage founders not necessarily always follow the lean-start-up theories. Some of the decisions are made based on Investor experience and suggestions, some are made based on other start-up company success stories and many are a result of team brainstorming sessions. However, it is important to point out that many of decisions and ideas are somehow related to the actual lean start-up theory even without knowing it.

4.5 The Business Model of the case Company

As discussed earlier the business model consists of nine building blocks. Author together with the CEO of the case company decided to design one, in order to understand the business better.

Key Partners <input type="button" value="Insert"/>	Key Activities <input type="button" value="Insert"/>	Value Proposition <input type="button" value="Insert"/>	Customer Relationships <input type="button" value="Insert"/>	Customer Segments <input type="button" value="Insert"/>
Venues The ones providing their meeting space: Hotels, Restaurants, Conference centres, stadiums Customers The ones renting the meeting space for various reasons: (Trainings, board meeting, Product Launch) Sub-Contractors Website designers, web master, hosting company, data base Management Outsourced Content team The team creating venue partner profiles Payment processing channels Major bank/credit card, PayPal, Invoicing Sytem Media Sources PA Magazine, HBAA database, Internet, Tourism Bureaus / Meet Finland Putting the links and advertising website into these websites allows to get better search result rankings on Google. They are mostly considered as governmental sites and that gives more credibility.	Contracting more venue providers The more venues we can offer, the more customers we are able to attract. SEO and Online advertising We are an online platform, and this is the primary channel to boost the awareness for the customers. Offline advertising Putting billboards in the business districts, airports. Marketing via Traditional Printed Sources Collaboration with Travel Agencies Carlson Wagonit Travel, Amadeus, Amex, are the biggest players in the travel industry. (Whitelabel for example). Segmentation of a product Different types of packages can be offered, depending on the ones budget, needs, season.. etc. Platform Maintenance New features should be implemented often. Site should be kept up to date. Customer Service We are company purely focused on B2B. There are always many problems we need to deal with in order to keep the client. Visual Appeal Having nice photos of the venues and nice look of the website, allow to sell better.	Easy to use Just with a few clicks client can pick the meetingpackage which fits the most for his needs. Time Savings On average meeting organiser spends two days to get meeting done. With us its only few hours. For a venue partner less non-converted enquiries, which means less hassle and alternatively immense Time Savings Price Transparency No hidden costs, client see the price instantly and he knows what he will pay for. He can compare "Apples with Apples". Immense Supply The platform offers over 90k meeting packages from across the Globe, every week few hundred are added. Higher Profits for Venue Partners Most of the packages are having the highest price (Rack Rate). Property Management System(PMS) Allows venue partners to use our developed system to integrate into their own system to process their meeting room bookings. (White Label)	Customer Support So far platform works in Finland and UK where the time zones are different. So the customer service is open from 9am-10pm GMT+2. Loyalty Programms Loyalty programs give the first time customers incentive to book their meeting via our website and already registered users to repeat the bookings for their next events. Efficient Dispute Settlement Since we are dealing with B2B businesses, we get a lot of hassle and complaints. We try to deal with them as efficient and fast as possible. Social Media A tool which helps to increase customer awareness, and promote our brand. Customized Offerings Based on previous booking, system suggests the best possible option for customers next one. Website Filters / Custom Booking Give more power to the client to search and filter based on their needs. They can even build their own package, after choosing the meeting venue they desire.	Personal and Executive assitants They are the most frequent business meeting bookers in this industry. Travel Agents CWT, AMEX, Amadeus are having huge database of clients which use their services to get their meetings done. Having a partnership with them would allow to get same share of their clients. (white label) Individual Users Those are the professional meeting organisers which represent small companies and are looking to arrange a meeting.
	Key Resources <input type="button" value="Insert"/> Network of Venues As more venues the website has as more there is to chose from. Information about the customer As more information we have about the client, as easier it is to understand and draw patterns for the next orders. Techs People who are developing the system. Human Capital The employees who are steering the company		Channels <input type="button" value="Insert"/> Trade Shows Spreading the word out, by exhibiting and attending Word of Mouth Both venue partners and customers suggesting the service to others. Online Search Engine Google is the main channel for attracting the customer and the venue owner. Social Media Twitter, Facebook, instagram all of them are	

Figure 16 Company's Business Model Part 1(Confidential)

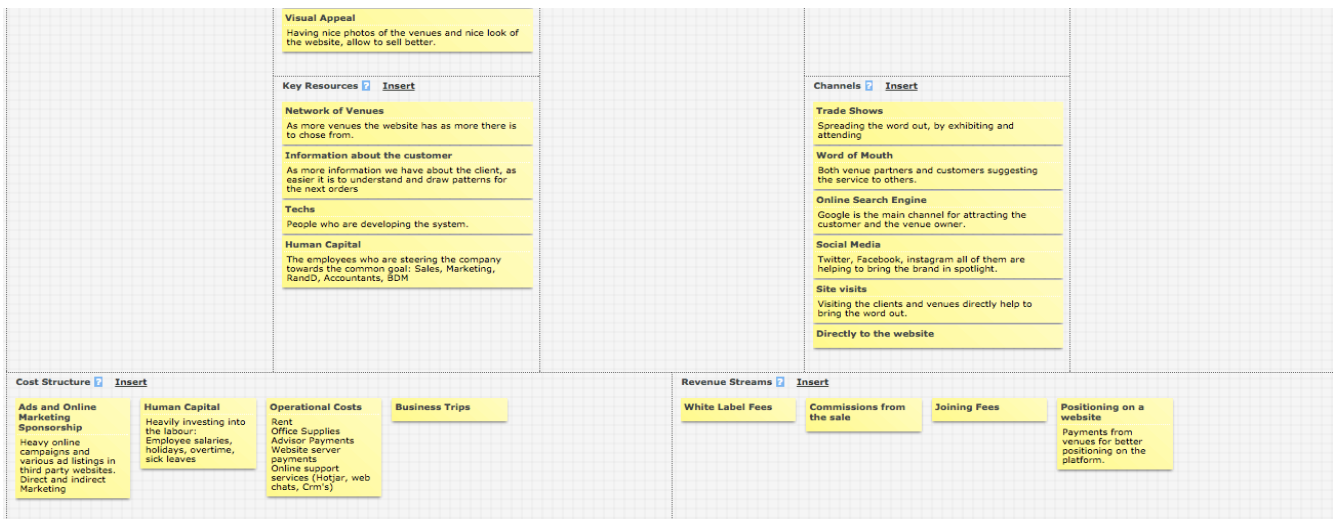


Figure 17 Company's Business Model Part 2(Confidential)

Furthermore, each of the building blocks will be analysed below. A full version of this business model can be downloaded from the Canvanizer website. Link is available in the reference section.

Key Partners

- Venues** – are the ones providing the meeting packages. Mostly they are hotels or conference centres. The criteria for the venue to partner up with meetingpackage, is that they have meeting space and catering under one roof. Meeting packages are standardized, so these two services mentioned before are crucial in venue contracting.
- Customers** – the ones renting the meeting space and purchasing meeting packages from contracted venue partners. Meeting packages include: meeting room rental for either 4h or 8h, basic meeting room equipment, coffee/ tea break and basic lunch. These packages can be purchased for different occasions like company trainings, board meetings or product launches.
- Sub-contractors** – this group of partners include people like web designers, who help to visualize the idea and make the website appealing for the customers and venue owners. Web master, hosting companies and data base management are also important in order for the website to run smoothly and be able to handle the traffic.
- Outsourced Content Team** – Their task it to pre-create the profiles of the non-contracted and contracted venues on our platform. The venue profile creation is important as it speeds up the venue contracting process. When the venue owner decides to join, he does not need to put a lot of work in order to get his venue packages published, as most of the information and fields are already pre-filled.
- Media Sources** – In order to spread the word around the company is partnering up with major Personal Assistant Magazines and hospitality associations. They either use our booking mask or we pay a yearly fee to be listed in their articles.

- f) **Tourism Bureaus websites** – Meet Finland, Meet Riga: usually these organizations are sponsored and supervised by government. That is why their websites has higher credibility in terms of Google search. Partnering up with them and having their website links on meetingpackage, helps to get better search rankings for meetingpackage as well.
- g) **Payment Processing channels** – In a later stage the company may start to charge the commission already when the customer places an order. In this case company would need to partner with major bank credit card providers or PayPal. At the moment commission bill is only sent to venues after the event has happened. At this stage there are no extra charges for the customer to use the service.

Key Activities

- a.) **Venue and Customer Contracting** – The more venue packages Meetingpackage can offer, the easier it is to get a customer. And vice versa, as more customers meetingpackage has, easier it is to contract new venues to display their packages on the meetingpackage website.
- b.) **SEO and Online advertising** – Meetingpackage is an e-commerce business that is why online presence is important to boost the brand awareness. Google Ad words, online ads and banners are primary tools used for it. Respectively, a significant amount of resources are allocated for this activity.
- c.) **Marketing via traditional printed sources** - Leaflets, newspaper articles, blogs, newsletters is another activity the company sees value at in order to advertise themselves.
- d.) **Collaboration with Travel Agencies** – The travel agents usually have a huge customer base which uses them. The most popular ones are Carlson Wagonit and Amex. The problem they have is that there is no system which can control and monitor their meeting bookings as well as provide valuable statistics. This opens a lot of new possibilities for meetingpackage. When partnering up with Travel agents, meetingpackage software is implemented into their websites and used as a booking mask for their customer meeting bookings. The software is hidden, so that when ever customer books through travel agent website he does not recognise that it done via meetingpackage. On each booking a travel agent is charged with a small commission.
- e.) **Platform Maintenance** – In order to keep the website up to date, new features should be deployed more often. As site gets more popular, the traffic to it is growing massively, which means that old system at some point will collapse if updates are not being made.
- f.) **Customer Service** – Meetingpackage is purely focused on B2B, which means that all the disputes and problems should be handled as smooth as possible in order to keep the customer.
- g.) **Visual Appeal** – Having nice photos of the venues and nice look of the website, allow to sell better. This is a crucial activity in order to maintain existing customers and attract new ones.

Value Proposition

- a.) **Easy-to-use** – Comparing to other meeting online platforms, it takes only few clicks for the client to book his desired meeting on meetingpackage. The user interface is friendly and it is easy to navigate on the website.
- b.) **Time Savings** – meetingpackage tremendously saves time for both customer and venue partner. In the past customer would spend two days finding out his total cost of the meeting and would have to fill up complicated forms or make countless calls. In turn venue partners would quote back to the customer the total price of services requested, but they would not know if the client is taking the offer, as it could be too hot, too quick, too expensive or they would not be able to provide some of the services the client desired. At the moment venues receive hundreds of enquiries daily and only 10% from them convert to the real booking. Meetingpackage allows the client to enter the budget he has, pick already made package or design his own and see all the relevant information about the venue. The enquiry which then is placed by the client and sent to the venue partner is already pre-qualified and the venue partner just needs to accept the availability of his meeting premises for the particular date and the meeting is set.
- c.) **Price Transparency / Package comparison** – The platform is advertising standardized meeting packages which were not so known among the customers, but are sold by every hotel or conference centre in the world. For the basic board meeting client would enquire to the venue and venue would offer same services as included in the meeting package only billed separately and in most cases the total price would be higher than just when purchasing meeting package. When customer enters the website, he knows that he will definitely get meeting room and catering if he picks any of the offered meeting packages, as they all must include same four things – meeting room rental, coffee/ tea break, basic meeting room equipment and lunch. Meetingpackage gives the client the chance to see the total price per delegate and compare various meeting packages based on his search criteria. He can compare packages based on the price per delegate, location, venue facilities, environment and etc. If he needs meeting for 50 people in London, he will only be offered venue partner packages in which meeting rooms can accommodate that many people and are located in London. Some of venue partners may include in their packages more coffee breaks, some can add more expensive lunch. Meetingpackage accepts different types of packages as long as the main four services are included in there.
- d.) **Custom Booking** – Meetingpackage is the only online platform where customers can make their own custom package. The order management of the platform enables customers to pick meeting room they desire from any of the venue partners and add services which they would need for their meeting. Depending on the venue, the system is only offering the services that the particular venue can offer. Customers are able to pick from services like - amount of coffee / tea breaks, type of lunch they prefer, equipment and accommodation. When the customer has finished its package, the venue owner only needs to accept the availability and the meeting is good to go.

- e.) **Extensive Supplier base** – At the moment meeting package offers over 90k meeting packages across the globe. It also has around 130k venue partner profiles. Every week few hundred new ones are added. Meetingpackage is one of the few platforms which has so wide variety of venues.
- f.) **Property Management System (PMS)** – Meetingpackage technology can be used as a booking mask or in other words 'white label' for meeting room bookings placed through venue partner websites. Usually hotels are using various sophisticated booking masks to handle their accommodation bookings via their website, however they do not have any system for booking their meeting space.
- g.) **Customer Lifecycle** – Meetingpackage is the only online platform which does full customer lifecycle. Most of the online platforms does not allow to fully manage bookings after the checkout. Customers are allowed to change the final amount of attendees, request for extra services or cancel the booking 24h after the making it.

Customer Relationships

- a.) **Customer Support services** – Meetingpackage is currently operating only in the Europe, so the customer service is open from 9am until 19pm GMT+2.
- b.) **Loyalty programs** – give the incentive for new customers to book their next meeting via our platform. Therefore, for registered users to place repeated bookings.
- c.) **Efficient Dispute Settlement** – Meetingpackage mostly deals with B2B companies which seems to cause more hassle. The company tries to deal with their issues as fast as possible.
- d.) **Social Media** – Through various social media channels meetingpackage tries to engage their users and also increase customer awareness.
- e.) **Customized Offerings** – The system offers the packages based on the customer profile and previously placed bookings.
- f.) **Website Filters / Custom Booking** – Gives more power to the customers as they can search and filter based on their needs. They can even build their own package, after choosing the right meeting room and venue.

Customer Segments

- a.) **Personal and Executive assistants** – They are the ones representing big corporations as well as Medium enterprises. In the hospitality industry they are the most frequent meeting bookers.
- b.) **Travel Agents** – CWT, AMEX are having the largest corporate customer base in the industry.
- c.) **Individual users**

Key Resources

- a.) **Network of venues** – As more venues the platform has, as more options to choose from for the customer.

- b.) **Information about the customers** – As more information the platform has about the customers, as easier it is to understand and draw patterns for orders.
- c.) **Developers** – Skilled IT personnel is crucial resource for this company to succeed.
- d.) **Human Capital** – The employees who are steering the company towards the common goal: Sales, Marketing, Office Admins etc.

Channels

- a.) **Trade Shows** – Great place where to spread the word out about the company.
- b.) **Word-of-Mouth** – Both venue partners and customers suggesting service to each other.
- c.) **Online Search Engine** – The primary source for attracting new business.
- d.) **Social Media** – Twitter posts, Facebook campaigns and groups, Instagram are helping to bring the brand in spotlight.
- e.) **Direct Site Visits** – Visiting the venue partners and customers in their offices can bring a great deal of success for the company.
- f.) **Own Website** – Meetingpackage.com is a great brand ambassador by itself. As the brand is growing the direct traffic to the site is also increasing.

Cost Structure

- a.) **Marketing Sponsorship** – The costs for the marketing are split 80/20, where 80% of the cost is paid for online campaigns and tools to generate the traffic to the website and 20% is traditional marketing.
- b.) **Operational Costs** – Rent, Office supplies, Website server payments, Salaries, sick leave payments, vacations, overtime payments, Online support service payments, salaries and etc.
- c.) **Business Trips**
- d.) **Advisory Payments**
- e.) **Payments to outsourcing companies**

Revenue Streams

- a.) **White label fees** – Monthly payments from the venue partners or travel agencies for using our software to drive their meeting rooms bookings to their own website.
- b.) **Joining fees** – In order for the venue partner to have their profile on Meetingpackage, a joining fee will be charged.
- c.) **Commissions from the realized business**
- d.) **Positioning on the website** – Payments from the venues for better positioning on the platform.

4.6 Customer Acquisition

4.6.1 The Journey

It all started with Joonas working as an entrepreneur in a catering company called “Meri Rosvot”, where he was organizing parties and weddings. There he realized a problem that venues and catering companies would not advertise their pricing on their websites. So if the client would like to have a party, he would never know before hand how much it would cost for him. Joonas would usually need to pick up the phone, call and wait for the quote, which was very time consuming process.

In one of the events Joonas met the Co-Founder of the company Saku, and they decided to tackle the issue. Their solution was an online service where clients would just pick the services and premises they want for their party and the system would give the total price. That was how the ‘ElamysJuhlat’ website was born.

When they started they had only few clients, which Joonas was able to bring from his previous company. In order to get more customers, they needed wide variety of party places and catering companies, otherwise there was not much the customers could choose from. The beginning was hard, many venues refused to join, but by putting a lot of time, offering better deals and working hard they were able to get venues and catering services joining their website. Few months later they noticed that most of the venue partners were offering on their websites meeting packages. They decided to make a special section for them.

Joonas and Saku wanted to come up with better way on how to advertise them as they noticed that it was very easy to calculate the total price when ever customers would purchase them.

They spent one night designing the idea and next morning asked their friend to create a pilot website for just the meeting packages. After few days the website was ready. Joonas and Saku got few friends and they helped to start to contact the venue partners which where on elamysjuhlat website and offered to join their newest website which they called ‘kokouspaketit.com’. Many of them came on board, as it did not costs anything. However, the fact was that they had only handful of venues with packages on board and they realised that they need to search for more venues. Soon after came Kongressi Messu (Congress Trade Fair) where they were promoting Elamysjuhlat and it turned out to be a very productive trade fair for them. Accidentally the marketing Manager from Restel Hotel chain picked up their leaflet and she got very interested in the concept. Two months later she brought all her properties to both kokouspaketit and elamyjuhlat websites. That was the very first chain contract they obtained. Few weeks later they decided to close elamysjuhlat and completely focus on kokouspaketit.com.

In order to get more venues placing their packages they were offering free joining and low commission levels. The deals progressed and more than 50 venue partners joined. But the operations could not last forever, they were desperately needing money as the bills started to pile up. They decided to risk and implement joining fees as they already had contracted some good venues which worked as the reference for others. They started with 80 eur and contract for two years, then doubled the amount and at the end the joining fees raise to 300eur. Surprisingly only few venues declined to pay, however to get 300eur was not any harder than to get 80eur.

Nevertheless, the business could not scale and Joonas with Saku needed to get some help. In October 2014 first investors joined and they helped to come up with a strategy which helped to become a market leader in Finland. They decided for the first year to only contract the venue partners and not advertise to any customers. They needed to make sure that they had enough venue packages to offer. There were different approaches implemented to contract the venues. After half-year kokouspaketit had over 500 meeting packages with venue partners located through out the north to the south of Finland.

On March 2015, the real turn of the business happened. Joonas and Saku together with the team were exhibiting at the biggest hospitality trade show in Finland, which gathered venue representatives and customers from all around Baltics, Sweden, Finland and Norway. In that event the team gathered over 1500 business cards from corporate customers and around 30 valuable contacts for venue partners in Estonia. After the trade fair the first orders started to come in and kokouspaketit started to get first contracted corporate clients. Thereby, venues from Estonia started to extensively contact the sales team and expressed the interest to be listed on kokouspaketit website. The word spread around. In few months kokouspaketit had packages from Finland, Estonia, Latvia and Lithuania. The main drive for the venues were the Finnish clients which at that time the company already had. Joonas and Saku started to think, that if they could get venues from Baltics to join why not try other European countries?

In few months when the business already started to bring some revenue, the team started to investigate other European countries and venue websites. They came across the fact that almost every hotel representing small or big chain had meeting package and there was no indeed platform which would gather them and promote to the clients. In fact, there was no online platform which would allow the client to design its own meeting package or compare different packages and with just few clicks get the total cost of his meeting.

However, there was a huge problem. Kokouspaketit was not designed to be a global website as it only had a Finnish content, the name which was almost impossible to pronounce for a foreigner and it did not have many functionalities which were needed to operate with hotels

globally. Joonas gathered investors, and presented the new idea to them. They decided to give an extra funding to get a new website developed which would be more suitable for international markets. The expected development time was estimated until the June 2015, however due to the outsourced unprofessional development team the company faced serious lead times resulting to suffer losses and prolong market expansion. On August 2015, the company fired half of its developers and employed new ones from Finland. The new created website was poorly developed and full with bugs, which led to complete re-development. Luckily the Finnish online platform kokouspaketit was performing well and getting more and more recognizable in Finnish market. While the development of new online business was in progress, it was already advertised to venues and corporate clients across the Europe. The team travelled to various trade fairs, exhibited and introduced its concept to the hospitality professionals. During this time company was able to gather important feedback regarding their platform which helped in development process.

Finally, in 2016 May the MeetingPackage was born and it started to gather the first venue partners across the Europe. Today the platform is mostly focusing on the UK market, due to the extensive marketing and sales efforts it has meeting packages from over 12 different countries.

In further paragraphs first we will look at the development road map, sales funnel for venue and customer acquisition, as well as various marketing strategies used to acquire the customer. It is important to understand that the core of today's business operations is mostly based on technology and venue contracting as without them it is almost impossible for the company to get customers.

4.6.2 Technology Development

The business idea of the company is based on technology, which means that in order to acquire customers, development must be carefully controlled and led.

Last year meetingpackage had many development issues which resulted in massive delays towards the business growth. Firstly, the main problem was that the initial business idea shifted and grew quite often, which changed the priorities in terms of development. Many important parts were not developed until the end, leaving issues in the website. Secondly, the development team was not experienced enough and it was poorly led. There was no system which would control their work or progress. Thirdly, technology industry is growing fast and each day there is a new competitor in the market which is bringing something new. Start-ups especially, need to act fast. This was where the company was facing the biggest issues, as they wanted to get new features ready fast, and it did not leave much space for

testing. As a result, the platform faced many bugs and problems, which at the end set company multiple steps back.

Today Meetingpackage has learned a lot, as development speed and quality has improved. Now there is a clear road map for the technology and the business logic has also changed. The company decided to develop the main functionalities of the website first, and then gradually implement promised features. Each development stage is divided into sprints. For each sprint there is a set deadline by which particular developer must deliver. Once the feature is ready, it is tested by quality manager, and only then it is pushed to live version. Meetingpackage has a very complicated technology which requires skilled development professionals and clear road maps.

4.6.3 Sales process for Venue Contracting - HubSpot

An important part of meetingpackage customer acquisition process is venue contracting process. Sometimes it can take up to 6 months to close a partnership deal with a venue chain or major hotel brand in capital regions. The partnership deals with these kind of partners play a vital role for business development and growth, as they can provide both quantity and new customers. That is why it is crucial for the sales team to make constant follow-up calls and send emails. One of the tools the sales team is using in HubSpot CRM. In HubSpot all new, pending and future deals of any sized venues are recorded and can be visible by any sales team member. The system allows to keep track of pending deals, and not duplicate or overlap. Currently each sales person has over 1500 deals spread around different stages and accumulating in 5000 venues across the Europe.

The current venue contracting sales pipeline for sales team consists of 6 stages including following: **Lead, Prospect, Potential Customer, Deal Won, Deal Postponed, Deal Lost.**

The remaining three are for Key Account managers and sales support team.

The key deal stages are described below and might have multiple sub-stages for internal purposes:

1. **A) Lead** – Leads collected from trade fairs (never met), third-party companies, marketing qualified leads, etc.
2. **B) Prospect** - A potential customer/company that expressed interest/need of our company's products (e.g. met at trade shows, site visits, received email/message/call etc.).
 - . a) **Meeting held** – Spoke personally with the prospect.
 - . b) **Interest** – The prospect shows interest in our product

- . c) **Is going to do something** – Prospect will take action to move the deal through the approval process of his company.
 - . d) **Next meeting** – Next meeting/call scheduled.
3. **C) Potential Customer** – Prospect showed enough interest to become a potential customer. Pre-qualified as a decision maker/ gate keeper. These things need to be done before taking the deal to the other stage:
- . a) **Qualified contact** – Contact who will push the deal through the company or is the decision maker.
 - . b) **Offer discussed-** Commission, duration, terms and conditions, publishing prices for packages etc. discussed and agreed.
 - . c) **Verbal commitment-** Initial verbal approval and commitment to continue negotiations.
 - . d) **Schedule agreed-** Timeline how the in boarding process will continue and when the signing of the agreement will be made.
- If a chain the following steps remain:**
- . e) **Next meeting-** next meeting scheduled to discuss feedback from the decision makers and about the contract
 - . f) **Offer discussed** – Duration, terms and conditions, publishing prices for packages, etc.
 - . g) **Offer out** – Sending the contract to be reviewed (might go to legal department)
 - . h) **Authorised signatory identified** - It is clear who will sign the contract within the company.
 - . i) **Signature date agreed**
4. **D) Won Deal** – Deal reaches “Won” status after **contract is signed or written clear pre-approval** from the potential customer is sent to the sales team, appointing a contact within the company who will be in charge of maintaining their profile.
5. **D) Assign Venues** (Account management team)
- . a) **Login details sent** – after venue is quality checked and approved login details are sent to the contact person appointed by the venue
 - . b) **Commission and contract approved** – The venue or account directive accepts the commission and the provider agreement
6. **D) Waiting for Venue** – Venue/hotel chain to edit information and insert prices for the packages (Account management team + Sales support team)

7. **D) Finalized** – Venue/hotel chain gained full control of their profile and has published packages with prices.
8. **E) Closed Lost** – Declined proposal (set a task to approach in 6 months)
9. **F) Postponed** – Prospect needs more time to decide, searching for decision maker, not ready to buy. No answer from the prospect/potential customer in a reasonable time. Might be relating their internal situation like acquisitions or new logics etc. Also postponed some partners who are waiting for White Label or other upgrades.

4.6.4 Online Advertising

Online advertising is an important part of customer acquisition process. It helps to create awareness and drive the customer to the website. However, in order to drive the customer, first it is important to understand who to target and when. At the moment meetingpackage is heavily investing in Google Adwords – advertising service by Google for businesses wanting to display ads on google, with a emphasis on keywords like: “meeting rooms in London, meeting in London, meeting in Helsinki, meeting rooms and thousands more involving the word “meetings”. All of the keywords are adjusted to each of the country languages. There are also various google and facebook marketing campaign ads created. The budget for each of them is adjusted accordingly, as the company first tests the response rate and then increases the expenditure gradually.

Twitter, Instagram and Facebook has been used to drive customer attention towards meeting package. There are various blog posts with different articles being written by the marketing team to test and find out the interest of target audience. Only few months ago the marketing team started to target the customer, as before the goal of the company was to attract venue owners. Today the company still needs more data to get sufficient metrics out of the campaigns and will require many months before they can understand the buying behaviour of the client.

4.6.5 Customer acquisition (HubSpot tools)

At the moment most of the customers / end-users are acquired by direct site visits, sales calls or referrals from already existing customers. Online marketing campaigns towards new customer acquisition were set-up properly only few months ago, as previously company needed to focus on the venue partner contracting. In order to control the customer contacts, HubSpot CRM is used. Alike the venue contracting pipeline, customer pipeline consists of 6 different stages – **Prospect, Presentation, Contract sent, Postponed, Closed Won and Closed Lost.**

The difference between the pipelines stages is only that under the prospect stage all of the leads driven via marketing channels, acquired from trade fairs or online sources are placed. As well as there are no stages for the sales support team. The process from creating the awareness to acquiring the client can take up to half-a-year which similar to the venue acquisition. However, only maintaining a limited number of good customers are enough for the company to make a profit.

5 Conclusions and Recommendations

The purpose of this thesis material was to examine and discover, *“The potential for meetingpackage.com to become a scalable start-up”*.

To answer to the question, first, author analysed the theory to understand the traits and characteristics of scalable business model. Multiple books, articles and blogs from well known authors were used, as well as previously conducted industry research results reviewed. Secondly, to apply the theory and compare it with the current state of the company, the actual business was analysed and business model designed. The business model was based on the authors own knowledge as well as on pre-prepared questionnaire (Appendix 1) answers received from the CEO of the company.

The theory suggested that in order for the technology startups to become scalable and not fail it needs to have following: Product/market fit, Customer acquisition costs lower than monetization, Automation tools in place, Strong Marketing, non-essentials outsourced, validates learning in place and the right team.

When analysing business model of meetingpackage, the findings suggested that it can scale and even more, it can become a million-dollar business. The product itself is unique and most importantly it has been proven to fit the needs for both the venue partner and the customer. Therefore, the market the company is operating at, is immense, which provides a lot of possibilities.

When looking at the theory, meetingpackage has been following it in most cases. They do pay a lot attention and effort to automatize most of their operations, as well as outsourcing activities which are time consuming and cheaper somewhere else. One of them is venue partner profile adding to the meetingpackage.com. In order to validate the learning, Joonas

went through a number of iterations on meetingpackage.com such as creation of “kouspaketit.com”, which was the main source to test the needs and gain feedback from both customers and venue partners.

Furthermore, meetingpackage has a very dedicated and talented team, which share the same vision and passion for the goal they are trying to reach.

Nevertheless, there is one important area of improvement, which have been left without attention – the customer acquisition process.

Due to the technological development delays and poor guidelines, this area has caused a massive lead times in terms of the customer acquisition. The time for planning the customer process and marketing campaigns was diverted to help developers to reach their deadlines. Most of the team member time was spent testing the system and searching for bugs.

For last few months the company was facing a problem where too many bookings were coming in, and there was no automated process to manage them. If the orders kept growing, this could result in high labour costs and lower revenue, which ultimately cannot scale.

However, today the company has learned from its problems, and actions has been implemented. The guidelines for the development are more concrete and developers are masivel-ly controlled. This has resulted in less system bugs and more efficient developments. Therefore, constatant testing is in place, to assure that nothing new is implemented into the Live version of the website until it is not tested. The newest partnership deal, with one of the biggest travel agencies – Carlson Wagonit Travel, happened last month, has prospered the venue contracting process, as now many are willing to have their venue profiles on Meetingpackage.

In terms of customer acquisition, there is still plenty to improve, however the company is now mostly focusing on that, so the solution should come soon.

In the future research the author would try to dig into the customer acquisition process as well as try to find out, how to lower the costs for it as this is the bottle neck for the business to become sustainable.

Another topic, would be a sophisticated USA market research, as its is quite alien for the company and that would be the next market the company would steer to.

I believe that this paper will help future entrepreneurs who are creating their own online business to understand and learn that it is crucial to control their technology and team of developers. Poor control of development can set you back or even fail your start-up.

It is also important to highlight that good united team can sometimes bring more value than skilled but separated one.

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6 Appendix: 1

6.1 Questionnaire for the CEO of the company

General Questions

1. What inspired you to start the company?
2. Where did the business idea of the company came from?
3. What was your vision for the company? What was your initial strategy to build it? Which of them appeared to be the first one?
4. When you would consider your company a successful one? Is there are certain evaluation to be reached, or certain goals?
5. Do you think it is easy to start your own business? Why?

Information about Start-up

1. Now when you have you own start-up company, how would you define a start-up?
2. How would the define your start-up and its culture?
3. According to Blank there are 5 types of startups:
 - a.) **Small businesses** - are startups which does not have the vision to change the world from day one. Their goal is to become profitable and gain stable long-term value.
 - b.) **Buyable startups** - are designed with a purpose to be acquired by larger companies. These type of startups are self-funded and they have low capital risk.
 - c.) **Large company entrepreneurship** – these startups are adopting either disruptive or sustainable innovation approach. In order to create or maintain customers they develop new products and services. Innovation process within these companies happen independently.
 - d.) **Social entrepreneurs** – is a start-up type, where entrepreneurs search for solutions to change the world rather than gain profits. These type of companies exist in a form of government bodies or non-profit organizations and they are working in various sectors: healthcare, education, agriculture and even in eradication of poverty.
 - e.) **Scalable start-up** - This type is popular among the technology entrepreneurs. Scalable start-ups require huge capital investments, in order to boost its fast expansion. Their missions are to come up with an innovative business model, which produces products or services customer wants to pay for and then repeat and accelerate it.

Under which start-up type you would place meetingpackage currently and which type would you like meetingpackage to be at? Why?

4. Christensen et al. (2004, 293) define disruptive innovation as follows: “An innovation that cannot be used by customers in mainstream markets. It defines a new performance trajectory by introducing new dimensions of performance compared to existing innovations. Disruptive innovations either create new markets by bringing new features to non-consumers or offer more convenience or lower prices to customers at the low end of an existing market”. Do you think that meetingpackage innovation can disrupt the market? Why?

Lean Startup

1. Did you do any customer research before developing your business idea?
2. How did you tested the hypothesis of your idea before implementing it into your business? What convinced you that the particular idea will be a success?
3. Have you ever heard about term Lean Start-up? If yes what?
4. Were you familiar with lean start-up before or after starting your own company?
5. Have you implemented any of lean start-up tools into your own business? If yes, what?
6. If no, To define, *Lean-start-up is a method which helps to test the hypothesis of entrepreneur guesses such as, when they try to find out who are their customers and what products and services they want. In other words it helps to steer the business. Some of the tools which learn start-up uses are **business model canvas, Lean Canvas.***

Business model canvas – is the rationale of how an organization delivers, creates and captures value'. it helps to visualise the hypothesis construction. The particular canvas consists of 9 building blocks. The idea behind the canvas is to provide a standard framework for entrepreneurs, start-ups and large companies, to sketch their hypothesis, test them in a market and then come back to make improvements. This process starts from brainstorming possible business models and it helps to prioritise where to start and track on-going learning

Lean Canvas – similar to business model canvas but it mostly concentrates on the beginning stages of an enterprise and exploration of market and product fit. Lean canvas slightly differ by its building blocks.

Do you think you have used some of the Lean start-up tools without knowing it?
Would these tools be useful for you if you would know?

Bussiness Model

Here (<https://canvanizer.com/canvas/w7anLfQWOIK6e>) you can find my version of BM for meetingpackage. Based on it could you please comment on following:

1. In your opinion, are there any other key partners/suppliers you would place under that building block. Would you agree with the ones already mentioned there?
2. In terms of key activities, is there anything else you would like to add or comment? In your opinion what is the most crucial key activity at the moment?
3. In your opinion, what is the most important resource your company has got?
4. In terms of value proposition, what you believe is the biggest value of meetingpackage?
5. What types of relationship does each of your Customer segments expect your company to establish and maintain?
6. In your opinion, who is the main customer for your service?
7. Through which channels your clients find about meetingpackage?
8. In terms of costs, what part of the business is costing you the most? Any from already mentioned? What is the average monthly / yearly cost for the company at this stage?
9. Where do you believe the highest revenue will come from? Any estimations for next 5 years? Any projections of, when you will break-even?

Customer acquisition

1. Please describe a customer acquisition process in your company? What are the steps?
2. Is there any online marketing strategies used when acquiring new customers? If yes, which?

Sales Funnel

1. Can you describe the process how your sales people are doing prospecting or searching for new potential leads / customers?
2. When the lead is prequalified, how the pre-approach process goes? Do they perform any research before hand or approach the customer straight away?
3. How is done the presentation and demonstration for the customer done?
4. How do you measure the success of your sales team? Is there a particular revenue they need to bring in next 2, 3, or five years?